"Is Business Bluffing Ethical?" is a recent article which appears in the Harvard Business Review (January-February 1968). In that article the author, Albert Z. Carr, raises some difficult questions about the nature of competition among business organizations and about the relationship of personal and moral standards to the conduct of daily business. Several examples of conflicts between ethics and "business as usual" are considered. Let's consider a concrete example.

Tom was a sales executive with a Southern firm. He told of an instance when he had to choose between two of his most important customers, a Mr. Colby. At the time of their meeting, the state was having a very heated political campaign over which Tom and Colby were of different persuasions. Colby mentioned that he was treasurer of the citizens' committee supporting the candidate Tom opposed. Before the two men got down to business, Colby asked if he could count on Tom for a $100 contribution to the Lang campaign fund. Tom's reaction was the following: "Well, there I was. I was opposed to Lang, but I knew Colby. If he withdrew his business I could be in a bad spot. So I just smiled and wrote the check then and there."

Upon discussing the matter with his wife, Tom found that she was bitterly disillusioned with the business world because it could put such pressures on a person to go against his own values. Tom told her it was an either/or situation. He had to do it or risk losing the business.

"It was an either/or situation. I had to do it or risk losing the business." Mr. Carr suggests that such situations are part of the "game" which governs the business world. He goes on to compare ethical standards of business organizations today with the ground rules of a poker game. "That most businessmen are not individuals, no matter in whose private lives, everyone will agree. My point is that in the business world they cease to be private citizens; they become game players who must be guided by a somewhat different set of ethical standards."

Finally, Carr cites a Midwestern executive as saying: "So long as a businessman complies with the laws of the land and avoids tactics of unethical salesmanship against his competitors, there is no obligation on him to stop and consider who is going to be hurt. If the man won't make the test, then he will have done himself a favor because an ethical man, who is competent, always is in high demand. A posture aligned with high standards will gain more respect and greater personal satisfaction than any setbacks sustained through loss of a few sales."

As for the Midwestern executive who equates business' ethical standards simply to compliance with the law—it being implied that this falls short of what society would expect a man to do. And his insight into most businessmen's motivations.

Responsible executives don't make decisions on the basis of legal permissiveness, but on what they can get away with at the risk of courting punitive actions at law, or the public's displeasure. Those are negative yardsticks, and the thrust of business thinking that involves moral judgments is affirmative.

Check product specifications, for example, and see how many exceed standards established by regulation. Results: a better quality product, greater performance, longer life expectancy.

Take re-training and re-assignment of employees to better paying jobs requiring greater skills when automation phases out various work slots. Results: more highly-skilled employees, better earning potential, greater job security.

Consider the direct personal involvement of more executives, and the application of their company resources, in efforts to deal effectively with such urban crises as ghetto unemployment. Results: more local employment, greater productivity, and all of this a broadening base for stability.

None of these actions are compelled by law ... they are taken voluntarily by businessmen acting under the compulsion of their personal ethics. It is the beliefs underlying such actions that I regard as the criteria for responsible businessmen's ethics. Critics may question this criteria as self-interest. I'll buy that. It is in the enlightened self-interest which is simply good business and reflects the ethical standards that broadly prevail in our free society.

The point is that in business, ethical standards encompass not only questions of personal conduct and integrity, but the whole range of business' activities with the public in a whole. Yet in the final analysis it is always the individual who must make the decision; a decision that will reflect the influences of one's family life, religion, principles, and add to one's own inherent traits of character. It is these factors that show up in a man's business decisions, not the other way around.

The man, therefore, who maintains his own convictions and sense of moral values will be a better businessman, and will find that there really is little problem in developing a business career without fear of compromise.

Sincerely,

Russell DeYoung, Chairman, The Goodyear Tire & Rubber Company